

17
SPEECH

Presented by A. C. K.

OF

HON. JOHN C. KUNKEL,

OF PENNSYLVANIA,

ON THE

REVISION OF THE TARIFF.

DELIVERED

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1859.



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The House being in Committee of the Whole on the state of the Union—Mr. KUNKEL, of Pennsylvania, said:

MR. CHAIRMAN: With a public debt amounting to \$65,000,000, and the revenues ascertained to be more than \$30,000,000 less than the ordinary current expenditures of the Government, the party of the Administration, if there be such party, is divided as to the means of meeting the deficiency; whether by such revision of the tariff of 1857 as will enable it to pay as it goes, or additional loans. As to any change with reference to the decline and prostration of business, the wreck of capital, or the suffering of labor, this does not for a moment receive their consideration. The President, with a seeming regard for his record and promises to his Pennsylvania friends, recommends specific duties, and protests against the accumulation of a national debt; but his specifics are speedily overborne by the *ad valorem*s of his Secretary, and his protest answered by propositions from his friends in this House to borrow \$20,000,000 and reissue \$20,000,000 of Treasury notes. Rebellion has reared its front, and the example of the Secretary has become contagious and seized the rank and file, who, installing King Caucus, have ignored the recommendations of both President and Secretary. The House is divided against itself, and the highest authority has pronounced its doom.

The President, before half his term has expired, is shorn of his power, and is no longer chief of his party. How striking and humiliating the contrast with his position a year ago! The country will hardly suppose the same man is President. When the liberties of an infant community in a distant Territory were to be crushed, and the right of self-government sacrificed, the President had an energy of purpose which allowed no hesitation and brooked no control. How he prostituted his administration to that remorseless work! Its patronage, blandishments, and intimidations, under his combining talent, welded the party into a unit of terrific energy. The officials of the Government quailed before his iron will, and decapitation followed fast upon the heels of dissent. Even Representatives in this House of free constituencies of the North, day by day passed under the yoke, and, blasted by the lightning of popular indignation, are now heard only as "melancholy voices from the spirit land." What Secretary, or more humble official, had then taken issue with his chief, in a communication to the country on his Kansas policy, and survived a day? Where are the zeal, the energy, the remorseless proscription, of the Kansas struggle? What change has come "over the spirit of his dreams?" Is Mr. Buchanan only allowed the honors of chieftainship, when he stifles his declared convictions of duty? Is he allowed to be strong only in the support of slavery and slave labor, and powerless in maintaining the just rights of free

labor? Are his Pennsylvania constituents to be satisfied with *recommendations*? These will light the fires of no furnaces, or start the hum of no spindles. It is a refinement of cruelty which thus subjects the first man of the nation to the scorn of his enemies for insincerity of motive, and the pity of his friends for infirmity of purpose. Hard as may be the choice, it is all that is left the President.

But, in pursuance to my purpose, I turn to the consideration of the estimates of the Secretary of the Treasury, for the fiscal year from July 1, 1859, to July 1, 1860. His figures result in a deficiency on the 30th June, 1860, of \$7,914,576, the annual expenditures being supposed to be \$73,139,147, and the annual receipts \$69,063,298, leaving a deficit of \$4,076,848; to which he adds \$3,838,728, required for the service of the Post Office Department during the present fiscal year. How likely it is that he over-estimates the expenditures or under-estimates the receipts, may be judged by his estimates for the last fiscal year. Some latitude must be allowed a financial officer in a revulsion such as that through which we have just passed; but the Secretary draws heavily upon the indulgence of the country. In December, 1857, after five months of the fiscal year had elapsed, he proposed to get through it, and have a balance of \$500,000 from the current receipts; and at the same time estimated the revenues from customs for the present year at \$64,000,000. Yet within a week from the date of that report he asked for \$20,000,000 of Treasury notes; and in less than four months afterwards, he asked for another loan of \$20,000,000.

In the Secretary's estimates, like a bankrupt, afraid to show the actual state of his accounts, he makes no account of \$19,754,800 Treasury notes, outstanding and payable during the next fiscal year. By adding this amount, we have a total deficiency of \$27,669,376. This sum is subject to the possibilities of additions from the Private Calendar, the old soldiers' bill in the Senate, the French spoliation bill in this House, the Oregon war debt, and the \$30,000,000 first installment on Cuba. Turn to his estimate of expenditures. There are \$73,139,147 46. He proposes to get \$5,000,000 of this from public lands; yet the gross receipts from that source for 1858, were only \$3,513,715, and for the first quarter of the present year, \$421,171 84, and the remaining three quarters, estimated by himself at \$1,000,000, making \$1,421,171 84. He proposes also to get from customs \$56,000,000. The utter fallacy of that calculation will be manifest from an examination of the practical operations of the tariff of 1857, as contrasted with that of 1846.

The duty-paying goods entered in the year ending June 30, 1858, were \$202,293,878, duties \$41,789,620; or 20.66 per cent.—say 20½ per cent.

To determine the actual result of these importations—the first under the present tariff—it is necessary to ascertain the goods in warehouse on the 1st of July, 1857, and which paid duties in that year. These amounted, on July 1, 1857, to \$56,487,644; and there was payable upon them, in duties, \$16,956,852. At the end of the year, there remained in warehouse \$22,829,583; on which there was payable, in duties, \$6,434,326, leaving a balance of \$10,522,526 paid into the Treasury during the year, independent of the goods imported. Deducting this sum from the gross revenue from customs, leaves \$31,267,094 duties upon goods actually imported in 1858. It is said, however, and truly, that the last year was an exceptional year; and I will, therefore, make the seven years preceding the 30th of June, 1857, the basis of my calculation.

The following table will show the amount of dutiable imports of those seven years preceding the operation of the tariff of 1857; the actual rev-

enue upon them under the tariff of 1846; and the revenue which would have been raised at a rate of twenty per cent.

Year ending—	Dutiable goods.	Revenue which would have been raised at a rate of 20 per cent.		Actual revenue under act of 1846.
June 30, 1851.....	\$191,118,345	\$38,223,669		\$49,017,567
“ 1852.....	183,252,508	36,650,502		47,339,326
“ 1853.....	236,595,113	47,319,023		58,931,865
“ 1854.....	271,276,460	54,255,202		64,224,190
“ 1855.....	221,378,184	44,275,637		53,025,794
“ 1856.....	257,684,236	51,526,847		64,022,863
“ 1857.....	294,160,835	58,822,167		63,875,905
“ 1858.....	202,293,875(actual)	42,046,277		

This would give an average of \$47,000,000 on the dutiable goods of the tariff of 1846. But from this, twelve per cent. must be deducted to cover the excess of the free list of the act of 1857 over that of 1846. It follows, therefore, that even upon the basis of the importations from 1851 to 1857 under the act of 1846, the act of 1857, at twenty per cent., yields only an annual revenue of \$42,000,000; and this result is reached only upon what are admitted to be excessive importations, which, by sending abroad the specie of the country, stimulated bank expansions and over-issues to an extent that precipitated the financial crisis of 1857.

These facts and figures give us this summary: an indebtedness of \$65,000,000; a revenue, including an estimated balance in the Treasury, of \$7,063,298 57; and receipts from miscellaneous sources, \$1,000,000; and say \$3,000,000 from public lands, with \$42,000,000 from customs, of \$53,063,298, against an expenditure of the sum of \$73,139,147; and a deficiency, with the Treasury notes, of \$27,669,376; or a total deficiency of \$47,745,225. The expenditures of this Administration are enormous. There is no security they will not reach \$80,000,000 the next fiscal year. They exceeded that sum the last year. The last Whig administration of this Government, General Taylor's, did not exceed \$39,000,000 the first year; and for the four years, averaged about \$40,000,000. It was then that Mr. Buchanan wrote his political friends in Baltimore, saying:

“These expenditures have now reached the enormous sum of \$50,000,000 per annum; and unless arrested in their advance *by the strong arm of the Democracy of the country*, may, in the course of a few years, reach \$100,000,000.”

His own Administration has verified his prediction. I rejoice to say, however, that there is a promise of resisting this headlong extravagance. We are not advised, indeed, when it is to begin, or where the pruning-knife is to be applied. I much fear the prodigality of the Administration is constitutional; and to eradicate the disease would be to destroy the patient. To spend money, and to save it, require quite opposite talents; the possession of the former to so high degree augurs a total inaptness for the latter.

The gentleman from Alabama, (Mr. CURRY,) deploring the distraction of his party, and the departure of Pennsylvania Democrats on this floor from that fundamental article of the common faith, “free trade and direct taxes,” as the sovereign remedy for all the evils which afflict the Government and the people, wonders what “occult power” still keeps his party together. He may solve that problem by the annual expenditure of \$80,000,000. It was the great apostle of the gentleman's creed who said the cohesive power of public plunder was the bond of the Democratic party. It is said the act of 1857 was framed upon the basis of an expenditure of \$50,000,000, and our ears are saluted, day by day, with the music of “retrenchment and

low taxes." Gentlemen on this floor wax eloquent in denunciation of their own prodigality. They will not touch with the little finger the act of 1857; for "was it not framed for an expenditure of \$50,000,000; and is not that sum sufficient to administer the Government?" Henceforth their battle-cry is to be "retrenchment and low taxes," against "high duties and lavish expenditures." This issue is to be adjourned from these Halls to the people. It is thought to be a good issue for the approaching elections in the South, as the edge of the "nigger question" has grown somewhat dull. The impudence of this pretension is only exceeded by its folly; and both are unparalleled. Whose extravagance do these gentleman inveigh against but their own? For has it not been under their administration of the Government that the expenditures have doubled? Is it quite honorable for gentlemen from the South to take issue against their own party for local and sectional effect? If the cry of retrenchment is anything but the claptrap of partisanship, why delay it, and adjourn the question over? You have possession of the Government, and control both Houses of Congress. Plunge in the knife when and where you will, there will be none to gainsay or withstand you. Let your reforms be radical and salutary. Let the lustration of the Administration be by its own hands. If, at any time, you shall need the help of this side the House, you can have it for the asking.

But, Mr. Chairman, propositions of retrenchment to be made hereafter do not meet the exigencies of the case. We are appropriating for the next fiscal year; and any retrenchment, to be of service, must be impressed upon the figures of the present tables. The first step in that direction is yet to be taken. The Administration demands \$74,000,000, and this House has given \$70,000,000. Who does not know that what has been taken off here will be put on again in the Senate, with additions, and that the bills lose nothing in their passage between the two Houses, or in conference committees? Has not that been our uniform experience? It is in vain, however, that these facts and figures are thrust into the face of gentlemen. When it is proposed to revise the tariff for more revenue and such incidental protection as is consistent with that end, we are denounced as "beggars and robbers." All duties upon imports, it is said, are taxes and burdens—bounties paid to the few producers from the pockets of the many consumers. We are kindly warned that even such meager protection as is now afforded, is shortly to come to an end. That day is as distant, in my judgment, as the time this Government can be administered without money, or the people will consent to direct taxation. Why, no one at this day, in this country, asks for a monopoly for domestic productions, or prohibition of foreign importations, nor for a tariff for protection, except that incidental protection which arises by discrimination upon a revenue measure.

It is conceded on all hands that the first great object in the levying of duties should be to provide revenue for the wants of the Government. The preamble of the first law on the subject, enacted in 1789, declares the just objects of all tariffs, and in their proper order, "*supporting the Government, discharging the debts of the United States, and encouraging and protecting manufactures.*" There never was a tariff bill enacted by Congress, which yielded the required revenue, which was not a revenue measure. A revenue tariff, in the free-trade sense of the term, would yield no revenue at all. Every competent revenue tariff must also be protective. It becomes a revenue measure simply because it is protective. The ability of the people to purchase imports, arising from the protection afforded to their industry, creates revenues to the Government. The productiveness of a revenue system does not depend upon a low rate of duties, or any arbitrary arrange-

ment in given schedules, but on the means of the country to import and pay for whatever they may want from abroad. Thus, on the lower rates of the act of 1857, we imported only \$202,293,878 last year, against \$294,160,838, under the higher rates of the act of 1846, the previous year. What avails the importation, if there be no sales; or what cheapness, if no means of payment? The best protective tariffs this country has ever had were its best revenue measures, simply because the fair remuneration of labor enlarged the power of consumption.

Our experience abundantly attests that it is not a reduction of duties that secures importations, but the consuming capacity of the people which constitutes the difference in this regard between one tariff and another, or between the operation of the same tariff at different periods. Hence, nothing is more certain than that a tariff adequate to \$60,000,000 of revenue must be also a reasonably protective tariff. No purely revenue measure which does not also foster the industry of the people will ever yield enough for the most economical Administration. Our expenses are never likely to be reduced to a point where they could be met by revenues realized on the Secretary's principle, of taxing, in preference to others, those articles which we do not produce, or produce in the least proportion, without casting the weight of the burden upon the necessities of life. The free-trade genius of the country could not devise such a measure. Protection and revenue go together, and lean upon each other; and Government, as long as it obtains its support by duties levied upon imports, must reach its revenues through the protection it accords.

It seems clear to me, therefore, that the needs of the Government have become the security of our industrial interests, and that they will at last find stable protection in the necessities of its administration. Now, if it be correct, that, in order to raise the necessary revenue, Government is compelled to yield incidental protection; there is an end of the controversy until it be proposed to provide the means in some other way. I am fully aware that the conclusion arrived at, and the reasoning leading to it, will be denied and repudiated until, at least, it shall be further confirmed by the experience of the Treasury. I shall wait with confidence the issues of that day, when the Government shall need the home producer as much as he may need the Government.

But, it may be said that the necessity of protection does not establish its justice. That is granted, with this limitation, however, that if no substitute less liable to objection can be devised, it becomes, like government itself, a necessary evil. I frankly confess, Mr. Chairman, that if I considered duties upon imports as bounties paid by the thousand consumers to the single producer, and that the duty did not in the end reduce the price, I would not be the advocate of protection. I hold the object as well as the result of all protection to be to stimulate production, and thereby diminish price; and whenever, and in respect of whatever product, upon fair trial, it fails of that end, it should be withdrawn. It is no purpose of this Government to put bounties into the pockets of the comparatively few producers; and that is not within the design of a just system of protection. Government is instituted and sustained to serve the general welfare, and the masses must always be the objects of its regard. The purposes of protection are development and production. To compass these results, it must operate mainly upon articles for the manufacture of which nature has conferred upon us special advantages, either in the abundance of the raw material, or the aptitude of the labor; and their development and production will inevitably, in the long run, diminish price. That is the experi-

ence of the world—of all time and all places. There are a thousand articles which would serve as illustrations of this position, but I cannot stop to consider them in detail.

It was competition at home, arising from protection, that brought down the price of coarse cotton from thirty-six cents a yard to one-sixth of that sum, and enabled our manufacturer to sell them in Calcutta, China, and South America, in the face of the Manchester goods. So with cut nails, every variety of cutlery, and a thousand other articles. The challenge was thrown out by my colleague (Mr. MONTGOMERY) to the gentleman from Virginia, (Mr. MILLSON,) to name a single article which had not been reduced in price under the operation of protective duties; to which he replied "not by protection, but by machinery, labor-saving machines, and increased skill." But let me ask whence come these? It was protection which led to development and production; these to rivalry and competition, which were the stimulants to the inventive brain and skillful hand to increase production and cheapen price. Monopoly would keep on in the beaten track forever. It is the strong necessity of competition which sharpens the intellect. While it is true, that demand and supply are the law of price, and monopoly is oppression, it will also hold, that increased production and competition, resulting from the encouragement of industry, will diminish cost.

But we are referred to our iron interest, and Mr. TOOMBS says, in the Senate, "you have had forty years to make this iron, and we will not tax ourselves longer for your support." But what sort of protection has the iron interest had, during these forty years? Sixteen regular tariff laws have been enacted since the foundation of the Government, under which the duties upon iron have been changed, alternating frequently between high and ruinously low points. The country was new, and had to be opened up, roads and canals built, to bring materials to the forge, or furnace, or mill, and carry the products away; the opening regions of the West were constantly inviting capital from the business, or preventing its going there; but, above all these drawbacks, it was constantly sustaining the competition of the associated capital and cheap labor of Great Britain, with such want of steady and reliable protection as made capital shrink from its fluctuations. And yet, notwithstanding these great disadvantages, it has grown to be a vast interest, and greatly cheapened the cost of its product. What it most wants, however, is stable, as well as fair and generous protection. Give it that for the fourth of forty years, and you place it above the want of governmental assistance, and send it abroad the rival and master of all the markets of the world. The revival of the tariff of 1842, for ten years, would make Pennsylvania the greatest iron manufacturing nation upon the globe, as the voice of the Almighty, in her iron-mountains, her coal basins, and the stalwart frames and resistless energies of her sons, proclaim she should be.

Mr. Chairman, with the Secretary of the Treasury and the South, "taxes and burdens" are synonymous with duties upon imports. That uncomplaining section of the Confederacy groans at the most distant prospect of a revision of the tariff, as a fresh imposition of grievances. It is imagined the planting States pay the greatest proportion of the duties without any resulting advantages or exemption in other respects. That is quite a mistake; for it can be clearly shown, from reasonably reliable data, that far the larger proportion of the duties upon foreign importations are paid by the North, and that the planting States pay less, and are therefore contributing less to the support of the Government than any other section. That

the North sustains the larger portion of the "burden," may be pretty surely inferred from her larger population, their greater and more diversified wants, and higher consuming ability. But, to meet this complaint, let me call attention to a statement which presents the subject as fairly as can be done, found in Secretary Guthrie's financial report for the fiscal year 1854-'55, at page 100. The Secretary's statement shows the consumption *per capita* of the paying imports by each State in the Union estimated by, or based upon, its productions. The statistical data being those of the year 1850—the census and the Treasury reports of that year being the vouchers for their accuracy. The principle of the Secretary's statement is the assumption that, the capacity of each State respectively to purchase and consume foreign imports, is measured by its ability to pay for such imports out of the current products of its own industry; that the consumption is exactly in such proportion *per capita*; and it assumes, further, that the accumulations and expenditures of all sections of the Union are, for the purposes of this inquiry, alike. The sources of error in the allotments of the imports, by this statement, are, therefore, to be looked for in the differences that exist in the application of the returns or products, as they are made by the people of the several States. Let us look, therefore, first, at the facts and figures of these allotments of the foreign imports among the several States, and afterwards draw such conclusions as they afford touching the question of the "burden" of our system of import duties upon the respective industrial interests of the country. Confining ourselves to the older States, whose industrial policy may be regarded as about equally well settled, we find the following results. The planting States stand thus in the table:

	<i>Per cent.</i>	<i>Per capita.</i>
Alabama consumes, of foreign imports.....	12	\$4 83
Georgia.....	16	4 52
Louisiana*.....	..	4 82
Mississippi.....	10	4 96
South Carolina.....	18	4 19
		<hr/> \$23 32
Average consumption <i>per capita</i>		\$4 66

Of the total product of these States, agricultural and manufacturing, the manufactures in 1850 were, respectively: Alabama, twelve per cent.; Georgia, sixteen per cent.; Mississippi, ten per cent.; South Carolina, eighteen per cent. All under twenty per cent. of total product, consisting of manufactures.

The agricultural States show the following results:

	<i>Per cent.</i>	<i>Per capita.</i>
Illinois consumes, of foreign imports.....	26	\$6 55
Indiana.....	30	5 09
Kentucky.....	30	5 97
Ohio.....	43	5 56
Missouri.....	40	6 48
		<hr/> \$29 65
Average consumption, <i>per capita</i>		\$5 93

* Louisiana shows fifty-five per cent.; but this exaggeration is due to the fact that her sugar is all stated as manufactured. Louisiana manufactures proper do not exceed those of Alabama.

The per centage of manufacturing products of these States to their total products is, respectively: Illinois, twenty-six per cent.; Indiana, thirty per cent.; Kentucky, thirty per cent.; Ohio, forty-three per cent.; Missouri, forty per cent. All above twenty, and below fifty per cent.

Mixed agricultural and manufacturing States:

	<i>Per cent.</i>	<i>Per capita.</i>
New Jersey consumes, of foreign imports.....	67	\$8 89
New York.....	67	8 47
Pennsylvania.....	67½	7 31
Maryland.....	66½	6 17
Delaware.....	60	6 27
		<hr/>
		\$37 11
		<hr/>
Average consumption, <i>per capita</i>		\$7 43

The per centage of manufacturing products of these States to their total products respectively, is: New Jersey, sixty-seven per cent.; New York, sixty-seven per cent.; Pennsylvania, sixty-seven and a half per cent.; Maryland, sixty-six and a half per cent.; Delaware, sixty per cent. All above fifty, and under seventy-five per cent.

The manufacturing States:

	<i>Per cent.</i>	<i>Per capita.</i>
Connecticut consumes, of foreign products.....	78	\$11 48
Massachusetts.....	91	12 26
Rhode Island.....	91½	12 11
		<hr/>
		\$35 85
		<hr/>
Average consumption, <i>per capita</i>		\$11 95

The per centage of manufacturing products above their total industrial products is, respectively: Connecticut, seventy-eight per cent.; Massachusetts, ninety-one per cent.; Rhode Island, ninety-one and a half per cent. All above seventy-five per cent.

It results from these details, that these four classes of States consume the imports and pay the customs upon them, in the following average proportion:

The planting States consume, <i>per capita</i>	\$4 66
The agricultural.....	5 93
The mixed agricultural and manufacturing.....	7 43
The manufacturing.....	11 95

The manufacturing States, therefore, consume, of foreign imports *per capita*, more than two and a half times as much as the planting; twice as much as the agricultural; more than one and a half times as much as the mixed agricultural and manufacturing; and the mixed agricultural and manufacturing, nearly twice as much as the planting States, and nearly fifty per cent. more than the agricultural States. These statements show that Mr. Clay spoke within the limits of his data when he said in the memorable contest of the year 1832, that the planting States consumed less than one-half of their *pro rata* proportion of the foreign imports, and contributed that much less than their due share to the revenues of the country. The average consumption of foreign imports *per capita*, in 1850, was 7.0 per cent. The planting States fell 2.36 below that average. The staple States should also recollect, that they being the chief exporters of domestic productions to foreign countries, are by the Constitution exempted from duties, excises, and taxes upon their products, and have in the great diff-

ce of the amount of their exports over those of the manufacturing States, ample compensation for all they contribute to the Treasury. These statements further show that the communities which ask for the encouragement of their industry by protective duties, are the very people who are to bear their weight. They are given only as approximations, and not as entirely accurate. If there be error in them, however, it is certainly not against the planting States. If then, it be necessary, to the easiest and least onerous way of raising revenue; if its result in the long run be to cheapen production; and if the complainants bear less than their proportionate share of the duties upon imports—why this warfare upon interests so vital to us? It is diversified industrial pursuit in the same State which develops its greatness, enriches its people, and make them independent. That nation which, by its natural advantages of territorial possession and capacity of population, can most diversify its departments of labor, most surely possesses the means of power and greatness. It is just in this regard that nature has been bountiful to us as she has been to no other people on the globe. What an extent of territory, climate, production! What a generous and kindly soil! What majestic rivers, lakes, harbors, and far-stretching lines of sea-coast! What incalculable powers of agriculture, manufacture, mechanic arts, and commerce, coast-wise and inter State! What an encouraging, bold, self-reliant, and capable people! How have the elements of a mighty empire been lavished upon us, in whatever direction we turn! How has the Almighty thrown up before us a highway to a destiny, the contemplation of which dazzles and bewilders, and bade us walk in it! It is a wise statesmanship which draws its first lesson of political economy from the allotments of Providence. The natural place for the manufacturer is just where the raw material and food are found. It is just there, other things being equal, that the manufactured article can be produced cheapest. How blind that policy, then, which sends the rude material from the cotton field, the back of the sheep, or the bowels of the earth, abroad, to be manufactured, and with them, the fruits of the earth, to feed the foreign manufacturer, instead of placing the manufacturer and agriculturist side by side, feeding and clothing each other! All experience proves that the nation which depends for its manufactured products upon the workshops of another, must forever remain tributary and dependent. It is not our misfortune to want the means of independence; but to abdicate them seems to be our folly.

But, Mr. Chairman, we learn that the protectionists in this House are far behind the progress of the age, and that their statistics and arguments are very silly things; for the gentleman from Virginia (Mr. MILLSON) tells us, with McCullough in hand, that protection is an "obsolete and exploded idea." Citing an English authority naturally leads us to England. Does she champion free trade now that she has centralized upon herself the markets of the world? Inquire the secret of her colossal power? What has given her a voice among the nations which shall echo back from the abyss of time? What has enabled her, in the few past years, with a national debt of \$4,000,000,000, to carry on her Crimean war, costing hundreds of millions, and engage in another war in the East which requires in that distant region the presence of more than one hundred thousand of her troops? Prominent among the sources of her power, and next to the capabilities of her people, is her adoption of the protective system and availing herself of the great laws of trade. In vain for her did Adam Smith announce the doctrine of free trade. Her far-seeing and sagacious statesmen scouted it. By her prohibitory and heavily discriminating duties, her celebrated navi-

gation act, and her suppression of the attempts at manufacture of her colonies, has England become the workshop and market of the world. Look at her policy towards this country during its colonial period. Pitkin, in his statistics, says, as early as 1699, Parliament declared "that no wool yarn, or woollen manufactures of their American plantations should be shipped there, or even laden, in order to be transported from thence to any place whatsoever." In 1790, the House of Commons also declared "that the erecting manufactories in the colonies tended to lessen their dependence upon Great Britain."

In 1750, Parliament prohibited the erection or continuance of any mill or other engine for *slitting or rolling iron*, or any *plating forge* to work with a tilt hammer, or any furnace for making steel in the colonies, under the penalty of £200; and every such mill, engine, forge, or furnace, was declared a *common nuisance*, and the colonial Governors, on the information of two witnesses on oath, were ordered to cause the same to be abated within thirty days, or to forfeit the sum of £500. And has this not always been her policy towards her colonial dependencies, and the spirit of her intercourse with all the world. Is it now, when, by a long course of the most restrictive character, England has centralized upon herself the markets of the world, and her exports of manufactured goods touch \$600,000,000, that she preaches free trade to the nations? When protection and prohibition, by their enormous profits, have swollen and cheapened her capital, trained her labor, developed her resources, and thus given her that majestic start which seems to distance competition, she invites, by her specious advocacy of free trade, the rest of the world to dependence upon her. Run your finger over the map of Europe, and, wherever it rests upon a great nation, you have one which has protected its industry. France, Belgium, Northern Germany, Sweden, and Russia, protect themselves against the centralizing power of Manchester and British free-trade, and are they not the strong Powers? But turn to Prussia, whose more recent adoption of protective policy is just developing its results. The year 1816 found her prostrate and exhausted, by the desolating effects of the battles between France and the rest of Europe. Shortly after that time, she commenced the policy of protection, to which she adheres to this day. In 1828 the Zoll-Verein was inaugurated, and its operations commenced with the year 1832; and what since then has been the progress of Prussia? In 1849 she was not only able to supply her own markets, but to compete with France and England in the fine linen, woollen, cotton, and silk fabrics, and velvets. In the year 1852 the manufactories of Prussia furnished 99,837,000 *ellen* of woollen cloth, valued at 123,000,000 thalers. In 1805, the consumption of cloth was, per head of the population, three-fourths *ellen*; in 1842, it was one and one-fifth; in 1852, three and one-half *ellen*. The following table shows the progress of the woollen industry in Prussia:

	<i>Number of hands and mechanical looms.</i>	<i>Number of workmen.</i>
1831.....	15,360	20,000
1846.....	34,234	47,066
1849.....	38,887	51,513

[The Paris *Journal des Economistes*, on the mining industry of Prussia, states that her coal mines, which produced, in 1834, only 7,000,000 tons of brown and other coal, yielded, in 1854, no less than 46,500,000 tons, so that the total value of her mining products—coal, iron, lead, copper, &c.—which was about 11,000,000 francs in 1824, amounted to 159,268,22

nces in 1854. The number of mines, smelting-works, founderies, and
 ling-mills, was 3,971; the value of their produce, 301,345,661 francs;
 number of workmen employed in them was 144,896, and including
 their families, 437,396. That is, nearly twenty-one per cent. of the entire
 population of the kingdom was subsisted by this industry. This, the *Journal*
 declares, "means nothing less than that Prussia has actually surpassed all
 other countries of Europe, with the single exception of England." Behold
 the results of the protective policy in the short period of twenty-five years!
 At that time, the population of the kingdom increased from 10,922,000 to
 15,000,000; and the production of grains and potatoes kept pace with the
 increase of population. Does the growth of such a magnificent industrial
 system, under the protective system, in the last quarter of a century, show
 the abandonment of it by the civilized world? Surely McCulloch must have
 been in the interest of British manufactures. At the Court of Berlin, as
 American Minister, is a distinguished statesman of this country, formerly
 Governor of Indiana, and, before he went abroad, thoroughly imbued with
 free-trade prejudices of his party, upon whom the progress of Prussia
 has made a convincing impression; for, in a letter to a gentleman
 in his country, under date of December 11, 1858, he says:

"It should be the policy of our States to make more at home and to buy less
 abroad. We should diversify our pursuits and make it our aim not only to raise
 cotton and wool as raw material, but to manufacture it at home, instead of sending
 it abroad, to buy it back again at a higher price than it would cost to manufacture
 ourselves. It is obvious that in Indiana, where coal is plentiful, where provisions
 are cheap, and where railroads afford rapid and convenient means of communication
 with other States, it would be far more profitable to buy or raise the raw material,
 and convert it ourselves into manufactured goods, than to send both material and
 provisions to an Eastern water-power or an English coal field. The same principle
 applies to every State in the Union. In illustration of the working of the op-
 portunity, take any six of our Northwestern States, which have expended nearly
 half their capital in railroads within the last fifteen years as Great Britain has in
 her machinery for the manufacture of cotton goods, and compare the relative
 success. See what her labor and her machinery have enabled her to accomplish
 with the raw material which we have supplied her looms with! Her vast com-
 mercial revenues have enabled her to carry on her conquests, to extend her empire,
 adding millions to her internal wealth. Well may she exclaim, '*Cotton is*

kingdom should we forever linger in the rear of such enterprise! We should dis-
 card the erroneous but too prevalent opinion that selling the raw material abroad,
 and forming it will accrue to the substantial advancement of one section of our country
 over the other. Our common interests cannot be divided. The farmer, whose lands
 produce corn and wheat, whose flocks supply the wool market; the planter, whose
 fields are whitened with the cotton harvest; the merchant and the mechanic, and the
 laborer, are all alike interested in the home manufacture of cotton and wool,
 and in the clothing of other branches of industry. From mutual prosperity we reap
 benefit. The burden of insurance, storage, freightage on grain, cotton, or
 wool on their way to market, does not fall exclusively upon the several producers.
 The burdens, as well as the profits, are shared by all in the end; and each
 is more interested in the prosperity of the other; and all are interested in the
 home manufacture of the raw material which our country produces, not alone for
 consumption, but for sale abroad. It will be an auspicious day for the West, and
 for Indiana, when we shall send the results of our labor abroad, in a more
 direct form than at present, and apply our immense wealth of coal, and other
 resources, to the purposes of home manufacture and home consumption in
 the West."

"I now tell the gentleman from Virginia that the day is not remote when
 the industrial interests of this country shall find a most potent auxiliary in
 the Western producing States. Why is it that our great West, with
 its wealth of soil and production, is yet comparatively poor? Among

other more immediate causes, one great reason, undoubtedly, is the remoteness of the markets for its agricultural products. And, although the ways which their enterprise has built puts them in easy and cheap communication with the sea-board, yet they are often compelled to seek uncertain and unreliable markets of Europe to compete with the pauper labor of the grain-growing regions of the Baltic and Danube. And it is always the least profitable of the farmer's crops which will bear the longest voyages in search of a market. The difference between the value and price of a farm in the far West, and one adjacent to a large city, illustrates the difference between a market at hand for all possible agricultural products and a foreign one with an ocean intervening. At no distant period, yet, the numbers of the West shall swell to the populousness of the older States, and its products diminish still further in value by increased production. The necessity will be upon her of diversifying her industry; and then the manufacturing cities—other Manchesters and Birminghams, Sheffield and Glasgows—with their swarming thousands, shall spring up along her lakes, and in the country of the Mississippi and its tributaries to convert her products on the spot where they grow.

I had intended to say something on the issue between the President and his Secretary, as to specific and *ad valorem* duties, but I am sure I can add nothing to the argument on the subject already made by the President upon this floor. The assessment and collection of revenue by specific duties or *ad valorems*, upon a valuation fixed in the law, which is, in effect, a specific duty, it must be conceded, would best secure an honest and faithful execution of the revenue laws, and counteract the enormous frauds which the foreign importer now robs the country. Specific duties are, therefore, best for the Treasury, and save the Government from the apparent complicity with the system which degrades and destroys national morality. They are also for the benefit of the manufacturer, by securing to him the protection which the law intends, through the substitution of the present sliding scale—which increases protection when he least needs it, and diminishes it when he most requires it—a specific sum, based upon the average price of the article for a series of years.

But, while these advantages are conceded, it is contended that specific duties would be oppressive to the consumer, by obliging him, in times of general depression, and when he is least able to bear it, to pay the highest rates. If this were true, whatever its advantages to the Government and the manufacturer, it would be a serious objection; for protection, in the present mode of assessment and collection of duties, as well as in its principle, works to the advantage of all three. But it is not true; for, in the first place, the average *ad valorem* duty of five years past, taken as the standard of the specific, may reasonably be inferred to be the average for the years to come, in the absence of any extraordinary disturbing cause. In the second place, the specific duties, securing to the manufacturer the protection against the frauds of the foreign importer, the reasonable protection Government may afford him, those revulsions which depress industry and reduce production by excessive importations and foreign indebtedness, would not so frequently occur, if at all. Iron, among some others, is especially a fit article for specific duties, and principally because of its fluctuations in price. The price of rolled bar iron in 1845-'46, at Glasgow, reached £14, and had fallen to a little over £5. In 1845, our importation was 300,000 tons and run up to 173,457 in 1849, an excess of more than 100,000 tons, the highest importation since 1823. In 1845, pig metal sold in Glasgow for £6, and in 1849 went down to £2. Our importations

were nearly 30,000 tons, while in 1849 they reached 105,632. Thus, under the *ad valorem*s, in the space of about four years, the duties upon rolled bar iron fell, in amount, nearly sixty-six and two-thirds per cent., and on pig metal quite that sum; and the American market was flooded with British iron. This demonstrates the injurious operation to both Government and the manufacturer by *ad valorem*s.

If it be sought to ascertain the reason of the difference in cost between the foreign and a similar domestic article, it may be found in the relative amount and price of capital and the rewards of labor. Capital and labor underlie the whole protective system. The cost of capital in this country is much higher than in England. The rate of interest there is three per cent.; here, from eight to ten. On \$1,000,000 capital, five per cent. difference of interest is \$50,000 per annum. The English manufacturer starts with that advantage. But he has a greater in the abundance of capital. We are debtor to Europe \$300,000,000, and require large sums annually from her to carry on our internal improvements. English firms have carried on the iron business for three or four years together, at a loss of £100,000 per annum, in order to crush out their American competitors and control the market.

The foreign manufacturer has also an advantage in the price of labor. This labor question is the great question of a tariff. I propose to speak of it, and the interest the laborers of this country have in protection. By laborers, I do not mean only operatives employed in large manufacturing establishments; but the vast number of mechanics, artisans, and persons engaged in the lighter arts of handicraft, builders, machinists, and all labor of hand and head which spring from, and depend upon, manufacturing industry. This is a vastly larger numerical force than is ordinarily estimated, and may well receive the regards of Government. The value of any commodity is according to the labor bestowed upon it. The whole difference between the value of a ton of iron or a yard of woolen cloth, and the raw materials in the bowels of the earth, or on the sheep's back, is the product of the labor of man. In levying the duties upon foreign manufactures the labor of the country is protected in the proportion that it enters into the value of the similar domestic article. Ascertain the ratio between capital and labor in the manufacture, and you have the proportion of benefit to each. This will range from the lowest point in the coarsest to the highest in the finest fabrics. Take a ton of pig metal, sold now say for \$20. The cost of its constituents, the limestone, coal, and ore may be \$2 50, leaving \$17 50 for labor. The quarrying and hauling material, with the labor of the furnace hands, constitute seven-eighths of the whole. In a ton of pig metal worth \$20, labor and capital are represented as seventeen and half to two and a half. The total of domestic iron produced from ore in this country may be set down at 1,000,000 tons annually, which, at \$30 a ton average, gives \$30,000,000, seven-eighths or \$26,250,000 of which is labor. In 1840, the value of our manufactures was returned in the census of that year at \$483,278,215, and in 1850 at \$1,055,595,899. This rate of increase makes our manufactures for 1855, nearly \$1,700,000,000, seven-eighths of which, \$1,487,500,000 is labor. Now, if to the manufacturing labor necessary to produce such result be added, the mechanical which clothes it, and the agricultural which feeds it, how great the sum total?

Wages in the United States are thirty per cent. higher than in England; nearly twice and a half as high as in France and Belgium; four times as high as in Austria and the interior countries of Germany; and perhaps

five times as high as in India, Spain, and part of Italy. This comparison is upon the foreign rates of skilled mechanical labor; in the more ordinary kinds, including agricultural, the disparity is greatly increased, the foreign not rising above the cost of slave labor in the South. The rewards of labor in England are better than elsewhere in Europe; yet what a picture of misery and wretchedness is presented by large classes of her working people—huddled together in cellars and garrets, in defiance of comfort, shame, and health; work-houses crowded; jails resorted to for shelter and maintenance; “women and children of tender age subjected to the severest and most constant toils; men harnessed upon all fours like beasts in the subterranean passages of the mines; whole classes stunted in growth, and perishing before the meridian of life is reached; industrious, skillful, and temperate artisans only able, in prosperous times, to obtain a scanty subsistence, and plunged into an abyss of misery by every recurring revulsion in trade.” It is not to be disputed that the extent and cheapness of land the vast amount of work to be done, secures to labor better rewards in this country for its toil than anywhere else in the civilized world. The whole question may be thus stated: “free trade and low wages, leveling American laborers to the degradation of foreign paupers, or protection and remunerative wages, preserving his manhood and independence.”

It is well for Government to reflect upon the relation of the free laborers of the country to itself. They are of the “people” bearing their quota of the sovereignty, and impressing their likeness upon its institutions. It is its interest, therefore, as well as its duty, to sustain and patronize its industry against the leveling tendency of unrestricted trade. Not to sweeten the gains of a favored class; but for the American laborer—free an intelligent, honored and honorable, with muscles and sinews of stalwart strength—bowing his broad back in the fields of husbandry; delving in the bowels of the earth; toiling along the highways; sweltering amid the fire and roar of the forge, the furnace, and the mill; with patient hand upon the loom and spindle, in the whirl of machinery and the stifling breath of the factory; and with curiously contriving brain ever evolving the creations which give man dominion over the forces of nature and multiply his comforts, I invoke the protecting care of this Government. Not for the devotees of mammon, but for the thronging worshippers who bow themselves amid the sounds of “dulcet symphonies and voices sweet” in the great temple of industry. Not for capital, indeed, but for toil; not for money, but for men. In my judgment, no greater calamity could befall my country than the extreme conditions of great accumulations by the few, and the helpless, hopeless, poverty of the many.

“Ill fares the land, to hastening ills a prey,
Where wealth accumulates and men decay.”

Self-reliant and self-poised, my own great commonwealth, seldom (would to God she never had occasion) ventures her requests to the Federal Government, and then only to remind it of that faith plighted under which her great industrial interest sprang into existence, and is passing through infancy. It is her destiny to strive for the mastery in the production of the great national interest with the greatest Power upon the globe. To this unequal contest she brings her boundless mineral treasures; the energy and enterprise, the thrift and industry of her sons, and invoking your generous patronage, promises at no distant day to wrench from the hand of the “nymph of the seas,” and lay a trophy at your feet, the iron scepter of the world.